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DCI Talking Points

5 Sept 86

PORTUGAL'S RELATIONS WITH BRAZIL:

Portuguese-Brazilian relations are friendly, but of only secondary importance to each country. Although Brazil was a Portuguese colony until 1822, the two nations have followed divergent paths since then. Brazil has become a nation of 120 million and the dominant geopolitical force on its continent while Portugal-now a country of only 10 million-- remains backward and isolated from the European mainstream. As a result, the customary relationship between mother country and colony has been reversed. Brazil sees itself as the leading Lusophone economic and political power and cultural center 25X1 25X1 , and Lisbon perceives much more of a stake in its relations with its European neighbors and with the US than with Brazil. Not surprisingly, Lisbon has been a relatively strong supporter of US foreign policy objectives while Brazil has pursued a more independent, Third World oriented course. 25X1 Even though the bilateral relationship is not crucial to

either country, it does retain some importance. The two countries share a common language, and a steady stream of Portuguese emigrants in the nineteenth and twentieth centuries has helped to

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maintain a residual sentimental tie between them. On a more pragmatic level, relations between the two countries have both cooperative and competitive aspects. The Brazilians see investment in Portugal as a potential beachhead for penetrating EC markets, while the Portuguese see Brazil as a potential source of much needed investment capital—a symbiotic relationship that probably will not develop much until Brasilia straightens out its international debt situation. Although leaders of the two countries have talked from time to time about working together to expand their economic links with the former Portuguese colonies in Africa, they have more often than not vied with each other in those countries.

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